

THE HOSPITAL SATURDAY FUND
(A Company Limited by Guarantee)

REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2017



Charities receiving grants at the HSF Charity Reception in Cork, November 2017

Registered Company Number: 6039284
Registered Charity Number: 1123381

THE HOSPITAL SATURDAY FUND
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

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THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES

YEAR ENDED 31 DECEMBER 2017

OFFICERS AND ADVISERS

<i>Chairman</i>	Mr J Greenwood
<i>Vice Chairman</i>	Mr D Thomas
<i>Other Trustees</i>	Mrs J L Dalton LLB (Hons) Mr M Davies Professor P W Palmer BA(Hons) PhD FCIS FIIA DChA FRSH Mr J Randel Mrs M Rogers
<i>Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Michelle Whittington FCIPD
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC
<i>Solicitors</i>	Kerman & Co LLP
<i>Auditors</i>	haysmacintyre, Chartered Accountants
<i>Investment Managers</i>	UBS AG
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: charity@hsf.eu.com

THE HOSPITAL SATURDAY FUND
(A Company Limited by Guarantee)

REPORT OF THE BOARD OF TRUSTEES

YEAR ENDED 31 DECEMBER 2017

The Board of Trustees is pleased to present the 11th Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2017.

Strategic Report

Summary

The Hospital Saturday Fund has been helping people in times of illness or medical need since 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland.

Services Agreement

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charitable Company's principal objects as set out in its Memorandum of Association are:

"the relief of sickness and suffering and giving of help to those who are aged, infirm unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands and the Isle of Man."

Impact

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

The Grant Making Committee continued to operate with the knowledge that however 'deserving' some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

Grants made in the year

During 2017, HSF processed 194 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 120 were awarded a grant making a total of £55,847 (2016: £40,359) for the year. A further total of £966,745 (2016: £878,636) was awarded to 347 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

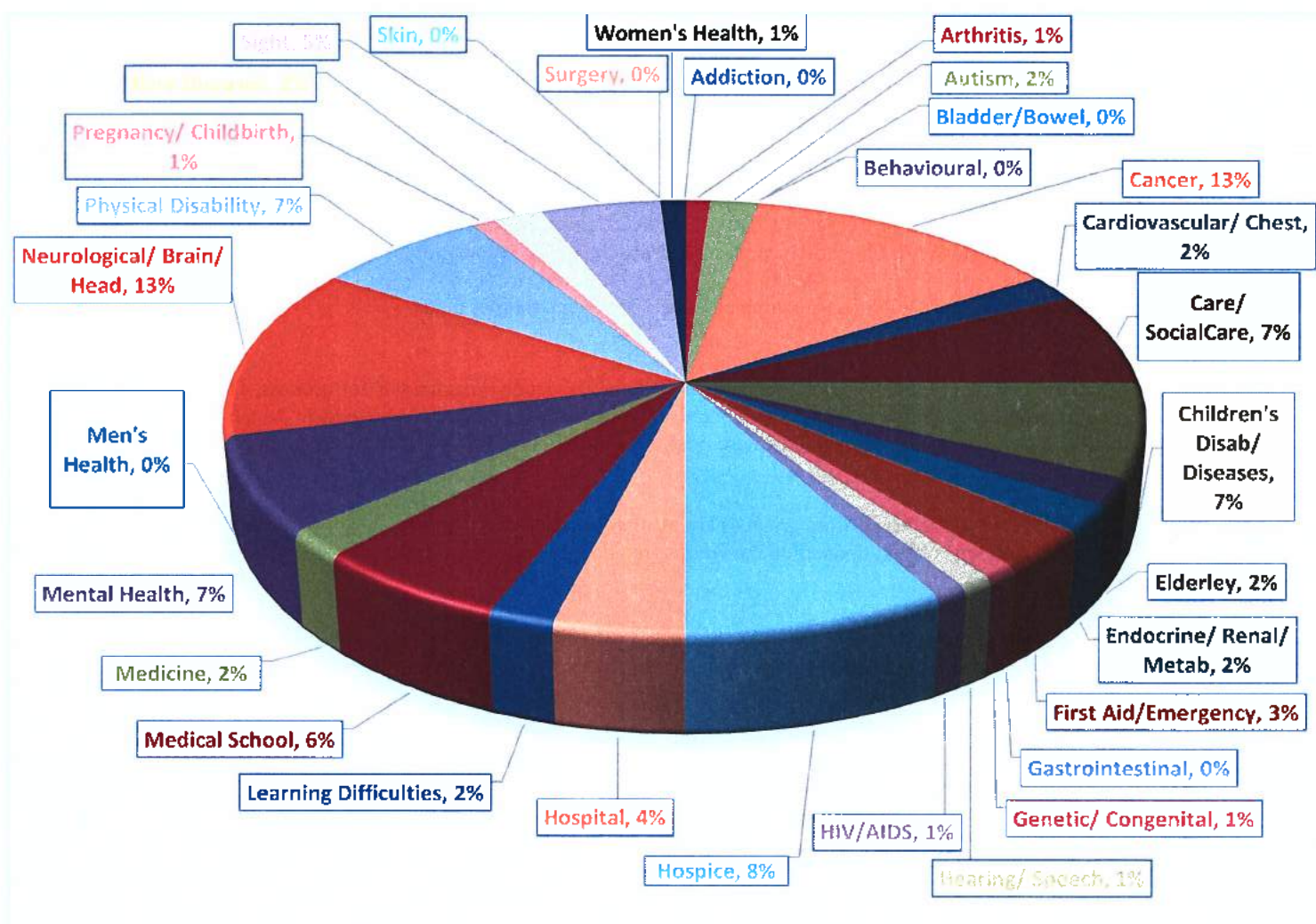
PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Annual Receptions

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees held a Reception on 16 February 2017 at the City Chambers in Glasgow hosted by Councillor Sadie Docherty, the Lord Provost of Glasgow, Vice-President of The Hospital Saturday Fund. A total of £85,000 was donated that evening to 28 different organisations. John F MacLeod, Lord Dean of Guild of Glasgow attended the Reception and joined The Lord Provost's representative Bailie Marie Garrity, to present the grants.

The Trustees also held, for the first time, a charity reception in Cork Ireland. The reception took place on 20 November 2017 in the Aula Maxima, Cork, hosted by University College Cork. A total of €115,000 was donated on that evening to 26 charities based in Munster. Mr Dick Spring, the well-known former politician and international rugby player and Councillor Tony Fitzgerald, Lord Mayor of Cork both attended the reception and presented the grants.

The following pie chart shows grants awarded by type; by the charity for the year ended 31 December 2017



The vast majority of grants awarded were for £2,000 (or €2,700), with two lesser donations being made. 113 higher grants ranging between £2,000 and £10,000 were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Grants are made to both local and national institutions. Total value of the grants awarded to each separate region is as follows, with the number of grants awarded shown in brackets:

	Total Value of Grants Awarded £	Grants to Other Medical Charities £	Grants To Hospitals £	Grants To Hospices £	Medical School sponsorship of electives £
UK National	288,428 (105)	280,847 (104)	0	7,581 (1)	0
England – London & South East	80,710 (35)	64,710 (28)	0	16,000 (7)	0
England – Midlands & North	83,000 (26)	59,000 (18)	0	14,000 (7)	10,000 (1)
Wales & South West England	52,900 (21)	38,900 (18)	2,000 (1)	2,000 (1)	10,000 (1)
Scotland	116,831 (39)	103,831 (34)	3,000 (4)	10,000 (1)	0
Northern Ireland & Isle of Man	25,000 (6)	15,000 (5)	0	0	10,000 (1)
Ireland	€364,590 (93)	€315,240 (82)	€14,000 (3)	€21,850 (7)	€13,500 (1)

Organisations receiving grants ranged from Spinal Injuries Ireland, Happy Days Children's Charity, Cardiac Risk in the Young Ireland, Severn Hospice, Chronic Pain Ireland, Focus Identity Trust, Chest Heart & Stroke Scotland, Chilterns MS Centre, Exeter Leukaemia Fund, Cork Life Centre, Breast Cancer Now, Dementia UK, Transplant Sport UK, Asthma UK, Irish Heart Foundation, National Eye Research Centre, Teenage Cancer Trust, British Society for Immunology, Martin House Children's Hospice, Bowel & Cancer Research, Tuberous Sclerosis Association, Lomand Mountain Rescue Team

Grants to hospitals were for specific projects, equipment or designated charitable funds.

Evaluation process

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose.

Condensed versions of updates received from grantees are available on our website www.hospitalsaturdayfund.org/news-a-recent-grants.html. Amongst others, updates on the website relating to work supported by the Hospital Saturday Fund in 2017 refer to:

- A grant for their medical elective programme (Queen's University Belfast)
- To fund research into reducing bone cancer pain (Orthopaedic Research UK)
- To provide increased access to Pulse Oximetry machines (Tiny Tickers)
- Funding for a specialist helpline (Melanoma Focus)
- A grant towards two sensory bathrooms (Livability)
- To fund equipment for disabled children and young people (Whizz-Kidz)
- To help restore a valuable epilepsy brain collection (Epilepsy Research UK)
- A grant for innovative research into aggressive blood cancer (Bloodwise)
- Funding toward specialist bespoke equipment for brain injured children (Cerebra)
- To support specialised live music sessions for critical care wards (Music in Hospitals)

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

- A grant towards training for two child partnerships (Irish Dogs for the Disabled)
- To help fund a multi-sensory room (Make a Wish Foundation)
- A grant for a counselling service for young carers (Edinburgh Young Carers)
- Funding towards body slings and slide sheets (Richard House Children's Hospice)
- A grant towards supplying information resources (Irish Society for Autism)
- To provide patient ventilators (Midlands Air Ambulance Charity)
- To help fund a family room (Mater Hospital Foundation)

In addition, the Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

Grant to Oxford University

'We are truly appreciative of this valuable support that we have received from HSF which will be of great help to us in our preparations for a pivotal new trial to use a surgical robot to administer gene therapy to patients. We are very excited about this trial, which will be another world first for Professor McLaren and for Oxford University.'

Grant to Daisy Garland

'I am writing to thank the Trustees of the Hospital Saturday Fund for this award which will go towards finding night-time breathing monitors, keeping children with drug resistant epilepsy safe at night while they sleep. We really could not do the work that we do without the help and support of people like you.'

Grant to Leonard Cheshire Disability

'We are so grateful for your support. Our residents have had such fun using the new Magic Carpet equipment and it is having an overwhelmingly positive effect on their wellbeing. The fun and engaging games are motivating residents to be active and helping to alleviate feelings of frustration, meaning staff-resident relationships are strengthening. On behalf of everyone at our Danybryn care home, thank you once again for your support.'

Grant to RP Fighting Blindness

'We are so grateful that the Hospital Saturday Fund chose to support us as our 'Champion' during the Big Give Christmas Challenge. This was our first time taking part and we exceeded our target. We couldn't have achieved this result without the support we received from the Hospital Saturday Fund – so thank you so much, from all of us here at RP Fighting Blindness!'

Grant to Antibiotic Research UK

'Please accept our grateful thanks for your kind donation towards our continued research into Antibiotic Resistance Breakers. The spread of antibiotic resistant bacteria and the global risk it presents is a huge and terrifying problem. As the only charity formed to develop new antibiotic therapies, provide public education and patient support we rely entirely on donations from supporters such as The Hospital Saturday Fund to drive this work forward.'



Paul Jackson, Chief Executive, The Hospital Saturday Fund, Bailie Marie Garrity and John MacLeod, Lord Dean of Guild, present Ewan Hastings of Waverley Care with a grant cheque at the Charity Reception in Glasgow, February 2017

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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Individuals have also expressed their gratitude and there are extracts from letters below:

Grant for car adaptations

Thank you for your generous grant towards the Paravan Space Drive Hand Control Adaptation system. I want to once again thank you for your support. These adaptations mean the world to me and are enabling me to keep driving, working and accessing the community!

Individual Grant Recipient

Grant for wheelchair

We cannot say how grateful we are for helping us to get the wheelchair for our son. So, a big thank you to all of you for your noble work!

Individual Grant Recipient

Grant for mobility scooter

Can you pass on to the Committee that our client who was awarded a grant towards a scooter last year has gained paid employment for the first time ever as a direct result of new her independence. She now travels independently which has made a huge impact on her overall. She is thrilled so many thanks!

Spinal Injuries Ireland

Grant for home adaptations

Thank you so much for your recent generous grant towards our client's home disability adaptations project. These funds will be used towards providing this lady with a fully wheelchair accessible bedroom and bathroom, so she can continue to be cared for safely and with dignity in her own home. This grant will make a huge difference to her life and well-being.
Sullivan's Heroes

Grant for adapted car seat

I am writing to acknowledge receipt of funds for Basil for purchase of his adapted car seat. I want to pass sincere thanks from Basil and his family as this has greatly improved Basil's safety and comfort when travelling to appointments etc.

Central Remedial Clinic

FINANCIAL REVIEW

State of affairs

The Group Statement of Financial Activities for the year is set out on page 14 and shows net incoming/outgoing resources for the year of £2,035,418, (2016: £(559,196)). Net movement in funds for the year amounted to £3,982,022, after investment gains of £1,946,605 resulted in a net asset position as at 31 December 2017 of £31,530,196 (2016: £27,548,173). Of these funds, £19,859,021 is represented by the net assets of the trading subsidiary.

The trading company's total profit for the year was £1,494,541 (2016: profit of £294,899). Total premiums (less Insurance Premium Tax) for the year were £30,232,484. Benefits payable (including Personal Accident premiums and helplines) for the year were £22,095,826 and represented 73.1% of premium income.

The trading company's Directors consider the overall state of affairs to be satisfactory.

For the charity alone, total income for the year amounted to £2,839,585 (2016: £1,457,798) including gift aid from the subsidiary companies of £2,671,382 (2016: £1,281,012). Grants totalling £1,092,857 (2016: £914,995) were made during the year, which is considerably in excess of income available for charitable application. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund increased by £2,211,026 to £11,190,562

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

Reserves Policy

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £469,731. Although this is a small increase in the level compared with last year, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves.

Principal Risks and Risk Assessment

The Board of The Hospital Saturday Fund regularly assesses the risks to which the charity is exposed, agrees how best those risks may be mitigated and takes the appropriate action to manage them. Its key risks relate to the ability of the investment portfolio to generate income, and the ability of the trading subsidiary to deliver and generate sufficient profits to enable the charity to award a consistent level of grant making.

The Audit and Risk Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sale and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Audit & Risk Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Company have produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. The Audit & Risk Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

The main activity of the Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment).

Solvency II

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2017. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2017 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements

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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

Investments & Investment Policy

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. In September 2007 the Board appointed UBS AG as Investment Managers.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net gain of £701,667 on the investments held, representing a net gain of 14.5%. This compares to the benchmark set by the Directors which would have returned a net gain of 13.9%.

The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products.

Remuneration policy

The Board of Trustees is satisfied that the trading subsidiary's staff salaries are benchmarked against market levels and monitored by said subsidiary's Human Resources Committee on an annual basis.

FUTURE PLANS

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. One such event was hosted at the Mansion House in Dublin on 15 February 2018. Twenty-eight charities were presented with grants on this occasion and the event was hosted by Mícheál MacDonncha, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund.

In 2018, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £1,200,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

The Charity relies on the success of its Trading Subsidiary, HSF health plan, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making resulting in a greater contribution to the work of the medical charity sector.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Association

The Association performs an important role in the overall governance of the Charitable Company. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

The Association comprises up to 100 Members (excluding Honorary Officers) whose services will, in the opinion of the Board, be advantageous to The Hospital Saturday Fund. Appointment is for a period of three years, but renewable. From time to time the Board recommends to the Association that some Members should be elected for their lifetime, in recognition of particular service. The President, Vice Presidents and Life Members of the Association are listed below.

President The Right Honourable The Lord Mayor of London

Vice-Presidents The Right Honourable The Earl of Meath
The Right Honourable The Lord Mayor of Dublin
The Right Honourable The Lord Provost of Glasgow
The Right Honourable The Lord Mayor of Belfast
Mr K R Bradley MCMI

Life Members of the Association	Mr D C Barnes	Mrs P E Lee
	Mr P Battams	Miss I Racher
	Mr T A Botly	Mr A M Rees LLB BA FCIPD
	Mr M J Boyle FCA	Mr D L Sawers ACII (deceased April 2017)
	Miss D O Denton JP	Mr E W Smith
	Mr R Dool	Mr W N Smith
	Mr L I Fellman	Mrs L M C Warner RGN SCM ONHC
	Mr P P Groat	Mr D T Young
	Mr K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn)	

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 11 May 2017 at Guildhall, London. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

The guest speaker was the well-known former international footballer and manager, Stuart Pearce, who attended in his capacity as celebrity support of The John Hartson Foundation.

At an Extraordinary General Meeting held on 11 October, 2017, Mr John Greenwood was re-elected as Chairman of the Association and Board, also at this meeting Mr Mark Davies and Mr David Thomas were elected for a three year term as Trustees.

Board of Trustees

The Board comprises the Chairman and six other Trustees. The Trustees are also Directors of the Charity for the purposes of the Companies Act. The Chief Executive and the Company Secretary attend Board Meetings.

At each Board Meeting, Trustees receive reports from the Board of HSF health plan Limited and annually they appoint two Members of the Association, who are not Trustees, to attend the Annual General Meeting of HSF health plan Limited with full voting rights.

The Trustees are covered by qualifying third party indemnity insurance, paid by HSF health plan Limited, which was in place throughout the year and remains in force at the date of this report.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

Appointment and Training of the Trustees

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF health plan Limited and who should serve the Grant Making Committee.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the Association of Financial Mutuals / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

Grant Making Committee, Policies and Procedures

The Committee usually meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chairman, Professor Paul Palmer and Vice Chairman, Mrs Margaret Rogers, the Committee includes appointed members Mrs Pamela Boyle (until 20th March 2017), Mrs Natalie Comber, Mr Paul Jackson, Mr Keith Lawrey, Mrs Carol Murphy (from 19th June 2017), Mr Cathal Nolan from 19th June 2017), Mr Glyn Tomlinson, Miss Jill Walton (until 20th March 2017) and Mrs Michelle Whittington.

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK and Ireland. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, eg doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website www.hospitalsaturdayfund.org.

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

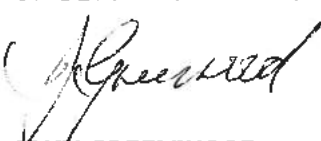
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

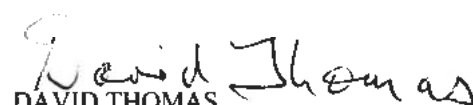
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD ON 19 March 2018



JOHN GREENWOOD
Chairman



DAVID THOMAS
Vice Chairman

Opinion

We have audited the financial statements of The Hospital Saturday Fund for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance sheet, The group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND (CONTINUED)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



Richard Weaver (Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

Date: 21 March 2018

10 Queen Street Place

London

EC4R 1AG

THE HOSPITAL SATURDAY FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Unrestricted Charity £	2017 Trading £	2017 Expendable Endowment £	2017 Total £	2016 Total £
Income and endowments:						
Donations and legacies		1,292	-	-	1,292	801
Trading activities	6	-	30,267,154	-	30,267,154	27,437,660
Investment income	2	166,911	414,847	-	581,758	584,228
Total incoming resources		168,203	30,682,001	-	30,850,204	28,022,689
Expenditure on:						
Raising funds – trading activities	4	(17,559)	(27,635,259)	(79,956)	(27,732,774)	(27,676,078)
Amounts available for charitable application		150,644	3,046,742	(79,956)	3,117,430	346,611
Charitable activities	4	(1,082,012)	-	-	(1,082,012)	(905,807)
Net incoming resources before investment gains and losses		(931,368)	3,046,742	(79,956)	2,035,418	(559,196)
Gift aid donation		-	(2,671,382)	2,671,382	-	-
Gain on revaluation of tangible assets		-	100,000	-	100,000	-
Realised investment (loss)/gain	9	-	400,179	61,907	462,086	(66,954)
Unrealised investment gain	9	-	733,969	650,550	1,384,519	2,253,185
Transfer between funds		1,092,857	-	(1,092,857)	-	-
Net movement in funds for the year		161,489	1,609,508	2,211,026	3,982,023	1,627,035
Funds brought forward		308,242	18,260,395	8,979,536	27,548,173	25,921,138
Funds carried forward at 31 December 2017		469,731	19,869,903	11,190,562	31,530,196	27,548,173

The notes on pages 17 to 27 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

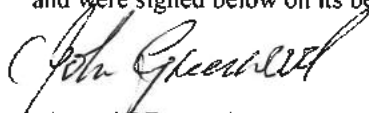
All recognised gains and losses are included in the statement of financial activities.

GROUP AND CHARITY BALANCE SHEETS

AT 31 DECEMBER 2017

		2017		2016	
	Notes	Group £	Charity £	Group £	Charity £
FIXED ASSETS					
Tangible assets	8	3,070,869	3,375	3,099,311	5,625
Investments	9	23,876,389	23,996,980	23,686,010	23,295,313
		<u>26,947,258</u>	<u>24,000,355</u>	<u>26,785,321</u>	<u>23,300,938</u>
CURRENT ASSETS					
Debtors	10	3,238,971	8,347	2,689,450	1,284,227
Bank balances and cash		5,795,924	3,527,160	2,051,259	587,786
		<u>9,034,895</u>	<u>3,535,507</u>	<u>4,740,709</u>	<u>1,872,013</u>
CREDITORS: amounts falling due within one year	11	(4,275,041)	(11,081)	(3,801,698)	(20,685)
NET CURRENT ASSETS		<u>4,759,854</u>	<u>3,524,426</u>	<u>939,011</u>	<u>1,851,328</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,707,112</u>	<u>27,524,781</u>	<u>27,724,332</u>	<u>25,152,266</u>
PROVISION FOR LIABILITIES AND CHARGES	12	(176,916)	-	(176,159)	-
NET ASSETS		<u>31,530,196</u>	<u>27,524,781</u>	<u>27,548,173</u>	<u>25,152,266</u>
Representing:					
FUNDS					
Unrestricted funds					
- General funds	13	469,731	15,069,999	308,242	16,172,730
- Trading funds	13	19,869,903	-	18,260,395	-
Expendable endowment fund	13	11,190,562	12,454,782	8,979,536	8,979,536
		<u>31,530,196</u>	<u>27,524,781</u>	<u>27,548,173</u>	<u>25,152,266</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 19 March 2018 and were signed below on its behalf by:



JOHN GREENWOOD
Chairman



DAVID THOMAS
Vice Chairman

The notes on pages 17 to 27 form part of these financial statements.

THE HOSPITAL SATURDAY FUND
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Reconciliation of net movement in funds for the year to net operating cash flows		
Net movement in funds for the year	3,982,022	1,627,035
Taxation	1,216	(22,675)
Gain on revaluation of tangible assets	(100,000)	-
Unrealised gains on other financial investments	(1,384,519)	(2,253,185)
Realised (gains)/losses on other financial investments	(462,086)	66,954
Income from other financial investments and cash	(581,758)	(584,228)
Depreciation and amortisation	308,131	299,907
Decrease in debtors	(549,522)	(260,768)
Increase in creditors	472,885	(265,569)
Net cashflow from operating activities	1,686,369	(1,392,529)
Cash flows from investment activities		
Income received from other financial investments	538,536	547,926
Interest received	43,223	36,302
Purchases of tangible fixed assets	(179,689)	(165,643)
Purchases of other financial investments	(4,366,453)	(7,375,104)
Sales of other financial investments	6,022,679	7,487,980
Net cashflow from investing activities	2,058,296	531,461
Decrease in cash holdings	3,744,665	(861,068)
Cash and cash equivalents at 1 January 2017	2,051,259	2,912,327
Cash and cash equivalents at 31 December 2017	5,795,924	2,051,259
Analysis of cash and cash equivalents		
Cash in hand	5,795,294	2,051,259
Total cash and cash equivalents	5,795,294	2,051,259

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with:

- the Companies Act 2006;
- the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2015;
- the historical cost convention, as modified by the adoption of market value for investment assets and the revaluation of freehold property; and
- applicable accounting standards, including Financial Reporting Standard 102 ('FRS 102').

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiary company HSF health plan Limited. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

a) Gift of investment in HSF health plan Limited

The investment is carried at the Trustees' estimate of valuation at 1 April 2007, the date of gift, less any provision for permanent diminution in value.

b) Incoming resources

Incoming resources represents donations, income from the trading subsidiary and investment income. All income is accounted for on a receivable basis.

c) Tangible Fixed Assets

Land and buildings occupied by the Group for its own purposes are stated at valuation less depreciation.

Depreciation is calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. The rates used are as follows:-

Freehold property	2%
Furniture and equipment	20%
Computer equipment	25%

d) Investments

Investments are carried at market value in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2016. Unrealised gains and losses on the revaluation of listed investments are taken to the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year end or cost if the investment was acquired subsequently.

e) Interest Receivable

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

f) Pension Costs

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

g) Expenditure

Expenditure is summarised under functional headings on a direct cost basis.

h) Fund accounting

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Directors in furtherance of the general objectives of the Charitable Company.

1. ACCOUNTING POLICIES (continued)

h) Fund accounting (continued)

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity. Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

i) Deferred Taxation

Full provision is made for deferred tax assets and liabilities within the trading subsidiary accounts in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

j) Operating Leases

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

k) Intangible fixed assets

Purchased goodwill is stated at cost less amortisation and is written off on a straight line basis over a period of 5 years.

l) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the average monthly rates of exchange. At the year end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

m) Grants

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

n) Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

o) Significant judgements and estimates

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include the translation of foreign currency into the reporting currency and the technical provisions. The most significant judgement and estimate in the accounts is the technical provisions, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet reported to the Company and the final outcome could be better or worse than the provisions. We use a calculations based on claims and premium trends from the previous two years to estimate to provisions required at the year end.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

2.	INVESTMENT INCOME	2017 £	2016 £
	Income from other financial investments	538,535	547,926
	Interest receivable	43,223	36,302
		<u>581,758</u>	<u>584,228</u>

3.	NET INCOME FOR THE YEAR	2017 £	2016 £
	The net income for the year is stated after charging:		
	Depreciation	308,131	299,907
	Auditors remuneration:		
	Audit of the charity	6,960	6,780
	Audit of the subsidiaries	33,000	32,160
	Other	-	7,710
	Operating leases	<u>127,822</u>	<u>152,281</u>

4.	ANALYSIS OF TOTAL RESOURCES EXPENDED	Direct costs £	Grant funding £	Support costs £	2017 Total £
	Raising funds				
	Charity	97,515	-	-	97,515
	Subsidiaries	20,603,582	-	7,031,677	27,635,259
	Charitable activities	-	1,092,857	(10,845)	1,082,012
	Group Total	<u>20,701,097</u>	<u>1,092,857</u>	<u>7,020,832</u>	<u>28,814,786</u>

All grants in the year were funded from the expendable endowment.

	Direct costs £	Grant funding £	Support costs £	2016 Total £
Raising funds				
Charity	96,206	-	-	96,206
Subsidiaries	20,433,979	-	7,145,893	27,579,872
Charitable activities	-	914,995	(9,188)	905,807
Group Total	<u>20,530,185</u>	<u>914,995</u>	<u>7,136,705</u>	<u>28,581,885</u>

All grants in the year were funded from the expendable endowment.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

5. STAFF COSTS

Charity

The charity employs no staff, all staff are employed by the trading subsidiary – HSF health plan Limited.

Trading subsidiary – HSF health plan Limited	2017 £	2016 £
Wages and salaries	2,707,978	2,825,653
Social security costs	313,498	341,785
Pension costs	441,513	457,634
	<u>3,462,989</u>	<u>3,625,072</u>

The average number of full time equivalent employees in the year was:

Sales	20	22
Administration	55	48
	<u>75</u>	<u>70</u>

The number of employees whose annual emoluments exceeded £60,000 were:-

£60,001 – £70,000	5	5
£70,001 – £80,000	1	2
£80,001 – £90,000	3	-
£90,001 – £100,000	-	1
£100,001 – £110,000	-	1
£110,001 – £120,000	1	-
£160,001 – £170,000	-	1
£170,001 – £180,000	1	-
£180,001 – £190,000	-	1
	<u>-</u>	<u>1</u>

Contributions totalling £140,644 (2016: £141,382) were made to group personal pension plans in respect of the 11 (2016: 10) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £3,488 (2016: £8,126) were reimbursed to six trustees (2016: six) of the parent Charitable Company.

As the charity does not employ any staff it has no key management personnel costs. Key management personnel within its trading subsidiary HSF health plan Limited are the Executive Directors and Head of Departments and total salary and benefits provided total £715,153 (2016: £960,705) Due to a restructure more people are considered to be key management personnel and included in this figure.

There were redundancy/termination payments in the year totalling £6,939 (2016: £101,801).

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

5. STAFF COSTS (continued)

Six Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary. In accordance with the Charity Commission advice the two Trustees who are not remunerated, form the Remuneration Committee:

	2017 £	2016 £
Mrs J L Dalton	6,183	6,183
Mr M Davies	8,756	6,183
Mr J Greenwood	6,171	6,171
Professor P W Palmer	-	-
Mr J Randel	14,401	14,401
Mrs M Rogers	-	-
Mr D Thomas	6,696	6,158
Total remuneration	42,207	39,096

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2016: £Nil).

6. RESULTS OF SUBSIDIARY

HSF health plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF health plan Limited are detailed below:

	2017 £	2016 £
PROFIT AND LOSS ACCOUNT		
Premium income	30,232,484	27,421,378
Claims paid and reinsurance	(21,808,584)	(21,622,883)
	8,423,900	5,798,495
Profit before taxation	1,499,841	295,228
Profit for the year after taxation	1,494,541	294,899
BALANCE SHEET		
Fixed assets	18,811,391	19,348,871
Net current assets	1,224,546	(912,316)
Deferred tax	(176,916)	(176,159)
NET ASSETS	19,859,021	18,260,396
FUNDS		
General reserve	19,859,021	18,260,396
	19,859,021	18,260,396

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF Assist Limited are detailed below:

	2017 £	2016 £
PROFIT AND LOSS ACCOUNT		
Premium income	34,670	16,282
Helplines and counselling	(12,275)	(7,691)
Other admin costs inc gift aid donation	(11,512)	(8,591)
Profit for the year after taxation	10,883	-
BALANCE SHEET		
Net current assets	10,884	1
NET ASSETS	10,884	1
CAPITAL AND RESERVES		
Share capital	1	1
Profit and loss account	10,883	-
	10,884	1

7. GRANTS

	Grants to Institutions £	Grants to Individuals £	2017 Total £
During the year the following grants were made:			
Medical charities	848,688	-	848,688
Hospitals and hospices	86,133	-	86,133
Welfare grants to individuals	-	55,847	55,847
Donations other	102,195	-	102,195
	1,037,016	55,847	1,092,863

	Grants to Institutions £	Grants to Individuals £	2016 Total £
During 2016 the following grants were made:			
Medical charities	713,979	-	713,979
Hospitals and hospices	120,657	-	120,657
Welfare grants to individuals	-	40,359	40,359
Donations other	40,000	-	40,000
	874,636	40,359	914,995

A full list of grants to institutions is available on the Charity website.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

8. TANGIBLE FIXED ASSETS	Charity		Group		
	Computer Equipment £	Total £	Freehold property £	Furniture Fixtures and Fittings £	Total £
COST OR VALUATION					
At 1 January 2017	12,000	12,000	2,500,000	2,016,831	4,516,831
Additions in year	-	-	-	179,689	179,689
Disposals in the year	-	-	-	(773,654)	(773,654)
At 31 December 2017	12,000	12,000	2,500,000	1,422,866	3,922,866
DEPRECIATION					
At 1 January 2017	6,375	6,375	50,000	1,367,520	1,417,520
Charge for year	2,250	2,250	50,000	258,131	308,131
Disposals in the year	-	-	-	(773,654)	(773,654)
Revaluation	-	-	(100,000)	-	(100,000)
At 31 December 2017	8,625	8,625	-	851,997	851,997
NET BOOK VALUE					
At 31 December 2017	3,375	3,375	2,500,000	570,869	3,070,869
At 31 December 2016	5,625	5,625	2,450,000	649,311	3,099,311

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was previously valued in 2016 at £2,500,000 and on 23 February 2018, a full revaluation was performed and the property was valued at £2,500,000 on an open market basis by Dunsin Surveyors, Chartered Surveyors. The carrying value of the property as at 31 December 2017 if it were carried under the cost method is £509,950. At the date of the revaluation the directors believed the property had a useful economic life of at least 50 years.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

9. INVESTMENTS

	2017		2016	
	Group £	Charity £	Group £	Charity £
Market value at 1 January 2017	23,686,010	23,295,313	21,612,655	22,682,183
Additions	4,366,453	1,353,941	7,375,104	1,335,246
Disposals	(5,560,593)	(1,302,824)	(7,554,934)	(1,502,186)
Unrealised gains	1,384,519	650,550	2,253,185	780,070
Market value at 31 December 2017	<u>23,876,389</u>	<u>23,996,980</u>	<u>23,686,010</u>	<u>23,295,313</u>
Historical cost at 31 December 2017	<u>20,558,390</u>	<u>21,932,697</u>	<u>19,787,560</u>	<u>21,628,978</u>
At market value				
United Kingdom investments	8,263,571	3,439,088	8,113,160	3,272,988
Overseas investments	7,931,732	2,720,946	8,355,403	2,446,026
Bonds	4,301,973	1,062,824	4,220,211	1,041,555
Other	3,379,113	909,634	2,997,236	670,256
Investment in HSF health plan Limited	-	15,864,488	-	15,864,488
	<u>23,876,389</u>	<u>23,996,980</u>	<u>23,686,010</u>	<u>23,295,313</u>

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund.

10. DEBTORS

	2017		2016	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	2,108,024		1,875,839	-
Other debtors	846,083	1,337	567,401	547
Due from subsidiary	-	-	-	1,281,012
Prepayments and accrued income	284,864	7,010	246,210	2,668
	<u>3,238,971</u>	<u>8,347</u>	<u>2,689,450</u>	<u>1,284,227</u>

11. CREDITORS: amounts falling due within one year

	2017		2016	
	Group £	Charity £	Group £	Charity £
Insurance operations creditors	3,395,584	-	3,311,966	-
Other creditors including taxes and social security	879,457	11,081	489,732	20,685
	<u>4,275,041</u>	<u>11,081</u>	<u>3,801,698</u>	<u>20,685</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

12. PROVISION FOR DEFERRED TAXATION	Liability on Property revaluation	Liability on Investment gains £	Fixed asset - timing differences £	Total £
At 1 January 2017	(149,994)	-	(26,165)	(176,159)
Profit and loss account	4,084	-	(4,841)	(757)
At 31 December 2017	(145,910)	-	(31,006)	(176,916)

13. MOVEMENT ON FUNDS	At 1 January 2017 £	Movement in funds Incoming resources £	Resources expended £	Gains on Investments/ Property £	Transfers £	Balance at 31 December 2017 £
Unrestricted funds						
General funds	308,242	168,203	(1,099,571)	-	1,092,857	469,731
Trading funds	18,260,395	30,682,001	(27,635,259)	1,234,148	(2,671,382)	19,869,903
	<u>18,568,637</u>	<u>30,850,204</u>	<u>(28,734,830)</u>	<u>1,234,148</u>	<u>(1,578,525)</u>	<u>20,339,634</u>
Expendable Endowment	8,979,536	-	(79,956)	712,457	1,578,525	11,190,562
Total funds	<u>27,548,173</u>	<u>30,850,204</u>	<u>(28,814,786)</u>	<u>1,946,605</u>	<u>-</u>	<u>31,530,196</u>

Expendable endowment fund

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from HSF health plan Limited to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Total Funds £	Unrestricted funds General Fund £	Trading Fund £	Expendable Endowment £
Fund balances at 31 December 2017 are represented by				
Tangible fixed assets	3,070,869	3,375	3,067,494	-
Investments	23,876,388	-	15,743,896	8,132,492
Cash at bank and in hand	5,795,924	-	2,268,764	3,527,160
Net assets	(1,036,069)	466,356	(1,033,335)	(469,090)
Deferred tax	(176,916)	-	(176,916)	-
Total Net Assets	<u>31,530,196</u>	<u>469,731</u>	<u>19,869,903</u>	<u>11,190,562</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

15. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £441,513 (2016: £457,634).

At the balance sheet date, there were outstanding contributions of £29,887 (2016: £Nil)

16. OPERATING LEASE COMMITMENTS

At 31 December 2017, the Group had annual commitments under operating leases which expire as follows:

	2017		2016	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	21,566	96,879	19,104	89,714
In the second to fifth years inclusive	46,726	59,726	57,407	66,122
In more than five years	-	-	-	-
	<u>68,292</u>	<u>156,605</u>	<u>76,511</u>	<u>155,836</u>

17. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £303,169 (2016: £276,142).

The trading subsidiary may have a liability to a pension scheme to which certain employees of the trading subsidiary formerly belonged. The Directors are advised that the potential liability should not exceed £250,000. No provision has been made in respect of any potential liability.

18. FINANCIAL INSTRUMENTS

	2017		2016	
	Group £	Charity £	Group £	Charity £
Financial assets measured at fair value through profit or loss	<u>23,876,389</u>	<u>24,996,980</u>	<u>23,686,010</u>	<u>23,295,313</u>
Financial assets measured at amortised cost	<u>2,954,105</u>	<u>1,337</u>	<u>2,443,240</u>	<u>1,281,559</u>
Financial liabilities measured at amortised cost	<u>4,280,596</u>	<u>11,081</u>	<u>3,801,698</u>	<u>20,685</u>

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise technical provisions and other creditors.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

19. ACTIVITIES BY FUND IN THE PREVIOUS YEAR

	Notes	2016 Unrestricted Charity £	2016 Trading £	2016 Expendable Endowment £	2016 Total £
Income and endowments:					
Donations and legacies		801	-	-	801
Trading activities	6	-	27,437,660	-	27,437,660
Investment income	2	175,985	408,243	-	584,228
		<u>176,786</u>	<u>27,845,903</u>	<u>-</u>	<u>28,022,689</u>
Expenditure on:					
Raising funds – trading activities	4	(24,264)	(27,579,872)	(71,942)	(27,676,078)
Amounts available for charitable application		<u>152,522</u>	<u>266,031</u>	<u>(71,942)</u>	<u>346,611</u>
Charitable activities	4	(905,807)	-	-	(905,807)
Net incoming resources before investment gains and losses		<u>(753,285)</u>	<u>266,031</u>	<u>(71,942)</u>	<u>(559,196)</u>
Gift aid donation		-	(1,281,012)	1,281,012	-
Gain on revaluation of tangible assets		-	-	-	-
Realised investment (loss)/gain	9	-	(140,232)	73,278	(66,954)
Unrealised investment gain	9	-	1,473,115	780,070	2,253,185
Transfer between funds		914,995	-	(914,995)	-
		<u>161,710</u>	<u>317,902</u>	<u>1,147,423</u>	<u>1,627,035</u>
Net movement in funds for the year		<u>161,710</u>	<u>317,902</u>	<u>1,147,423</u>	<u>1,627,035</u>
Funds brought forward		<u>146,532</u>	<u>17,942,493</u>	<u>7,832,113</u>	<u>25,921,138</u>
Funds carried forward at 31 December 2016		<u>308,242</u>	<u>18,260,395</u>	<u>8,979,536</u>	<u>27,548,173</u>

